

Senate Study Bill 3047

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CO=CHAIRPERSON BOLKCOM)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to taxation by making changes relating to
2 property tax, income tax, city and county budgets, creating an
3 implementation task force and providing an appropriation, and
4 providing effective and applicability dates.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 5494XK 81
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1 1 DIVISION I
1 2 ASSESSMENT AND VALUATION OF PROPERTY
1 3 Section 1. Section 421.30, subsection 6, Code 2005, is
1 4 amended to read as follows:
1 5 6. Upon the director's approval of the advancement of
1 6 funds from the reassessment expense fund, the director shall
1 7 certify to the appropriate conference board and assessor a
1 8 schedule for disbursing the loan to the assessing
1 9 jurisdiction's ~~appraiser~~ assessment expense fund authorized by
1 10 section ~~441.50~~ 441.16. The schedule shall provide for the
1 11 disbursement of funds over the period of the reassessment
1 12 project, except that ten percent of the funds shall not be
1 13 disbursed until the project is completed. The conference
1 14 board shall at its next opportunity levy pursuant to section
1 15 ~~441.50~~ 441.16 sufficient funds for purposes of repaying the
1 16 loan made from the reassessment expense fund. The amount
1 17 levied shall be sufficient to repay the loan in semiannual
1 18 installments during the course of the reappraisal project as
1 19 specified by a repayment schedule established by the director.
1 20 The repayment schedule shall provide for repayment of the loan
1 21 not later than one year following the completion of the
1 22 reassessment. Semiannual repayments of the proceeds of the
1 23 loan shall be made on or before December 1 and May 1 of each
1 24 year.
1 25 Sec. 2. NEW SECTION. 428.3 ON=SITE INSPECTIONS REQUIRED.
1 26 At least once every ten years, in an odd-numbered year, the
1 27 assessor shall conduct an on-site inspection of each parcel of
1 28 property located in the assessor's assessing jurisdiction.
1 29 Sec. 3. Section 428.29, Code 2005, is amended to read as
1 30 follows:
1 31 428.29 ASSESSMENT AND CERTIFICATION.
1 32 The director of revenue shall on the second Monday of July
1 33 of each year proceed to determine, upon the basis of the data
1 34 required in such report and any other information the director
1 35 may obtain, the actual and taxable value of all property,
2 1 subject to the director's jurisdiction, of said individual,
2 2 copartnership, corporation, or association, ~~and shall make~~
~~2 3 assessments upon the taxable value thereof, as provided by~~
~~2 4 section 441.21.~~ The director of revenue shall, on or before
2 5 the third Monday in August, certify to the county auditor of
2 6 every county in the state the valuations fixed for assessment
2 7 upon all such property in each and every taxing district in
2 8 each county by the department of revenue. This valuation
2 9 shall then be spread upon the books in the same manner as
2 10 other valuations fixed by the department of revenue upon
2 11 property assessed under the department's jurisdiction.
2 12 Sec. 4. Section 433.5, Code 2005, is amended to read as
2 13 follows:
2 14 433.5 ACTUAL AND TAXABLE VALUE PER MILE.

2 15 The director of revenue shall ascertain the value per mile
2 16 of the property of each of said companies within this state by
2 17 dividing the total value, as above ascertained, by the number
2 18 of miles of line of such company within the state, and the
2 19 result shall be deemed and held to be the actual and taxable
2 20 value per mile of line of the property of such company within
2 21 this state.

2 22 Sec. 5. Section 434.15, unnumbered paragraph 1, Code 2005,
2 23 is amended to read as follows:

2 24 The said property shall be valued at its actual value, and
2 25 the assessments shall be made upon the taxable value of the
2 26 entire railway within the state, except as otherwise provided,
2 27 and the actual value so ascertained shall be ~~assessed as~~

~~2 28 provided by section 441.21 the taxable value, and shall~~
2 29 include the right of way, roadbed, bridges, culverts, rolling
2 30 stock, depots, station grounds, shops, buildings, gravel beds,
2 31 and all other property, real and personal, exclusively used in
2 32 the operation of such railway. In assessing ~~said such~~ railway
2 33 and its equipments, the director of revenue shall take into
2 34 consideration the gross earnings per mile for the year ending
2 35 January 1, preceding, and any and all other matters necessary
3 1 to enable the director to make a just and equitable assessment
3 2 of ~~said such~~ railway property. If a part of any railway is
3 3 ~~without located outside~~ this state, ~~then,~~ in estimating the
3 4 value of its rolling stock and movable property, the director
3 5 shall take into consideration the proportion which the
3 6 business of that part of the railway lying within the state
3 7 bears to the business of the railway ~~without located outside~~
3 8 this state.

3 9 Sec. 6. Section 437.6, Code 2005, is amended to read as
3 10 follows:

3 11 437.6 ACTUAL AND TAXABLE VALUE.

3 12 On the second Monday in July of each year, the director of
3 13 revenue shall proceed to find the actual value of that part of
3 14 such transmission line or lines referred to in section 437.2,
3 15 owned or operated by any company, that is located within this
3 16 state but outside cities, including the whole of such line or
3 17 lines when all of such line or lines owned or operated by ~~said~~
3 18 ~~the~~ company is located wholly outside of cities, taking into
3 19 consideration the information obtained from the statements
3 20 required by this chapter, and any further information
3 21 obtainable, using the same as a means of determining the
3 22 actual cash value of such transmission line or lines or part
3 23 thereof, within this state, located outside of cities. The
3 24 director shall then ascertain the value per mile of such
3 25 transmission line or lines owned or operated by each company
3 26 specified in section 437.2, by dividing the total value as
3 27 above ascertained by the number of miles of line of such
3 28 company within the state located outside of cities, and the
3 29 result shall be deemed and held to be the actual and taxable
3 30 value per mile of ~~said such~~ transmission line or lines of each
3 31 of ~~said the~~ companies within the state located outside of
3 32 cities.

3 33 Sec. 7. Section 438.13, Code 2005, is amended to read as
3 34 follows:

3 35 438.13 BASIS OF VALUATION AND ASSESSMENT.

4 1 The said property shall be valued at its actual value, and
4 2 the assessments shall be made upon the taxable value of the
4 3 entire pipeline property within the state, except as otherwise
4 4 provided, ~~and the actual and taxable value so ascertained~~
~~4 5 shall be assessed as provided by section 441.21; and shall~~
4 6 include the rights of way, easements, the pipelines, stations,
4 7 grounds, shops, buildings, pumps and all other property, real
4 8 and personal exclusively used in the operation of such
4 9 pipeline. In assessing ~~said such~~ pipeline company and its
4 10 equipment, the director of revenue shall take into
4 11 consideration the gross earnings and the net earnings for the
4 12 entire property, and per mile, for the year ending December 31
4 13 preceding, and any and all other matters necessary to enable
4 14 the director to make a just and equitable assessment of ~~said~~
4 15 such pipeline property.

4 16 Sec. 8. Section 438.15, Code 2005, is amended to read as
4 17 follows:

4 18 438.15 ASSESSED VALUE IN EACH TAXING DISTRICT == RECORD.

4 19 At the first meeting of the board of supervisors held after
4 20 said statement is received by the county auditor, the board
4 21 shall cause the same to be entered on its minute book, and
4 22 make and enter in the minute book an order describing and
4 23 stating the assessed value of each pipeline lying in each
4 24 city, township, or lesser taxing district in its county,
4 25 through or into which the pipeline extends, as fixed by the

4 26 director of revenue, which shall constitute the ~~assessed~~
4 27 ~~taxable~~ value of the property for taxing purposes; and the
4 28 taxes on the property, when collected by the county treasurer,
4 29 shall be disposed of as other taxes. The county auditor shall
4 30 transmit a copy of the order to the council of the city, or
4 31 the trustees of the township, as the case may be.

4 32 Sec. 9. Section 441.1, Code 2005, is amended to read as
4 33 follows:

4 34 441.1 OFFICE OF ASSESSOR CREATED.

4 35 ~~In~~ Except as otherwise provided in section 441.16A, in
5 1 every county in the state of Iowa the office of assessor is
5 2 ~~hereby~~ created. A city having a population of ten thousand or
5 3 more, according to the latest federal census, may by ordinance
5 4 provide for the selection of a city assessor and for the
5 5 assessment of property in the city under the provisions of
5 6 this chapter. A city desiring to provide for assessment under
5 7 the provisions of this chapter shall, not less than sixty days
5 8 before the expiration of the term of the assessor in office,
5 9 notify the taxing bodies affected and proceed to establish a
5 10 conference board, examining board, and board of review and
5 11 select an assessor, all as provided in this chapter. A city
5 12 desiring to abolish the office of city assessor shall repeal
5 13 the ordinance establishing the office of city assessor, notify
5 14 the county conference board and the affected taxing districts,
5 15 provide for the transfer of appropriate records and other
5 16 matters, and provide for the abolition of the respective
5 17 boards and the termination of the terms of office of the
5 18 assessor and members of the respective boards. The abolition
5 19 of the city assessor's office shall take effect on July 1
5 20 following notification of the abolition unless otherwise
5 21 agreed to by the affected conference boards. If notification
5 22 of the proposed abolition is made after January 1, sufficient
5 23 funds shall be transferred from the city assessor's budget to
5 24 fund the additional responsibilities transferred to the county
5 25 assessor for the next fiscal year.

5 26 Sec. 10. Section 441.16, unnumbered paragraph 7, Code
5 27 2005, is amended to read as follows:

5 28 Any tax for the maintenance of the office of assessor and
5 29 other assessment procedure shall be levied only upon the
5 30 property in the area assessed by ~~said the~~ assessor and such
5 31 tax levy shall not exceed ~~forty and one-half~~ eighty-one cents
5 32 per thousand dollars of assessed value in assessing areas
5 33 where the valuation upon which the tax is levied does not
5 34 exceed ninety-two million, six hundred thousand dollars;
5 35 ~~thirty-three and three-fourths~~ seventy-four and one-fourth
6 1 cents per thousand dollars of assessed value in assessing
6 2 areas where the valuation upon which the tax is levied exceeds
6 3 ninety-two million, six hundred thousand dollars and does not
6 4 exceed one hundred eleven million, one hundred twenty thousand
6 5 dollars; ~~twenty-seven~~ sixty-seven and one-half cents per
6 6 thousand dollars of assessed value in assessing areas where
6 7 the valuation upon which the tax is levied exceeds one hundred
6 8 eleven million, one hundred twenty thousand dollars. The
6 9 county treasurer shall credit the sums received from such levy
6 10 to a separate fund to be known as the "assessment expense
6 11 fund" and from which fund all expenses incurred under this
6 12 chapter shall be paid. In the case of a county where there is
6 13 more than one assessor the treasurer shall maintain separate
6 14 assessment expense funds for each assessor.

6 15 Sec. 11. NEW SECTION. 441.16A COUNTIES JOINING IN
6 16 EMPLOYMENT OF MULTICOUNTY ASSESSOR.

6 17 The conference boards of two or more adjacent counties may
6 18 enter into an agreement to jointly employ a county assessor.
6 19 Such agreement shall be written and entered in their
6 20 respective minutes and a copy of the agreement transmitted to
6 21 the conference board of each county that is a party to the
6 22 agreement. The written agreement shall provide for the manner
6 23 of allocation of the budget of the assessor's office. The
6 24 provisions of chapter 28E shall be applicable to this section,
6 25 except that such agreement shall not be applicable for a
6 26 period of less than six years beginning from the date the
6 27 multicounty assessor is appointed by a conference board.

6 28 A multicounty conference board shall be established with
6 29 representation as provided for in section 441.2 from each
6 30 county that is a party to the agreement. The multicounty
6 31 conference board shall appoint one examining board.

6 32 The term of the multicounty assessor shall begin on July 1
6 33 following the date of the agreement and the terms of the
6 34 incumbent assessor in each county that is a party to the
6 35 agreement shall expire on that date, notwithstanding the term
7 1 specified in section 441.8.

7 2 Sec. 12. Section 441.17, subsection 7, Code 2005, is
7 3 amended to read as follows:

7 4 7. Submit on or before ~~May~~ October 1 of each year
7 5 completed assessment rolls to the board of review.

7 6 Sec. 13. Section 441.21, subsection 1, paragraph e, Code
7 7 Supplement 2005, is amended to read as follows:

7 8 e. The actual value of agricultural property shall be
7 9 determined on the basis of productivity and net earning
7 10 capacity of the property determined on the basis of its use
7 11 for agricultural purposes capitalized at a rate of seven
7 12 percent and applied uniformly among counties and among classes
7 13 of property. Any formula or method employed to determine
7 14 productivity and net earning capacity of property shall be
7 15 adopted in full by rule, and effective for the assessment year
7 16 beginning January 1, 2011, and each year thereafter, such
7 17 formula or method shall determine productivity and net earning
7 18 capacity based on a ten-year average with the first year
7 19 beginning eleven years prior to January 1 of the assessment
7 20 year and with the tenth year beginning two years prior to
7 21 January 1 of the assessment year.

7 22 For valuations established for the assessment year
7 23 beginning January 1, 2007, through valuations established for
7 24 the assessment year beginning January 1, 2011, the formula or
7 25 method used to determine productivity and net earning capacity
7 26 shall be an average based on the following calendar years:

7 27 (1) For the assessment year beginning January 1, 2007,
7 28 calendar years 2000 through 2005.

7 29 (2) For the assessment year beginning January 1, 2008,
7 30 calendar years 2000 through 2006.

7 31 (3) For the assessment year beginning January 1, 2009,
7 32 calendar years 2000 through 2007.

7 33 (4) For the assessment year beginning January 1, 2010,
7 34 calendar years 2000 through 2008.

7 35 Sec. 14. Section 441.21, subsection 4, Code Supplement
8 1 2005, is amended by striking the subsection and inserting in
8 2 lieu thereof the following:

8 3 4. Except as provided in subsection 4A, for valuations
8 4 established for the assessment year beginning January 1, 2007,
8 5 the percentage of actual value, as equalized by the director
8 6 of revenue as provided in section 441.49, at which residential
8 7 property shall be assessed shall be forty=six percent. For
8 8 valuations established for the assessment year beginning
8 9 January 1, 2008, the percentage of actual value, as equalized
8 10 by the director of revenue as provided in section 441.49, at
8 11 which residential property shall be assessed shall be forty=
8 12 seven percent. For valuations established for the assessment
8 13 year beginning January 1, 2009, the percentage of actual
8 14 value, as equalized by the director of revenue as provided in
8 15 section 441.49, at which residential property shall be
8 16 assessed shall be forty=eight percent. For valuations
8 17 established for the assessment year beginning January 1, 2010,
8 18 the percentage of actual value, as equalized by the director
8 19 of revenue as provided in section 441.49, at which residential
8 20 property shall be assessed shall be forty=nine percent. For
8 21 valuations established for the assessment year beginning
8 22 January 1, 2011, and each year thereafter, the percentage of
8 23 actual value, as equalized by the director of revenue as
8 24 provided in section 441.49, at which residential property
8 25 shall be assessed shall be fifty percent.

8 26 Sec. 15. Section 441.21, Code Supplement 2005, is amended
8 27 by adding the following new subsections:

8 28 NEW SUBSECTION. 4A. For valuations established for the
8 29 assessment year beginning January 1, 2007, and each year
8 30 thereafter, residential property with an actual value of less
8 31 than twenty thousand dollars, as equalized by the director of
8 32 revenue as provided in section 441.49, shall have an assessed
8 33 value equal to its actual value minus ten thousand dollars.
8 34 However, such reduction shall not cause the assessed value to
8 35 be reduced to less than zero.

9 1 NEW SUBSECTION. 4B. For valuations established for the
9 2 assessment year beginning January 1, 2007, and each year
9 3 thereafter, the percentage of its productivity value, as
9 4 equalized by the director of revenue as provided in section
9 5 441.49, at which agricultural property shall be assessed shall
9 6 be one hundred percent.

9 7 Sec. 16. Section 441.21, subsection 5, Code Supplement
9 8 2005, is amended by striking the subsection and inserting in
9 9 lieu thereof the following:

9 10 5. For valuations established for the assessment year
9 11 beginning January 1, 2007, the percentage of actual value, as
9 12 equalized by the director of revenue as provided in section

9 13 441.49, at which commercial property shall be assessed shall
9 14 be ninety-nine and one thousand five hundred nine ten
9 15 thousandths percent. For valuations established for the
9 16 assessment year beginning January 1, 2008, and each year
9 17 thereafter, the percentage of actual value, as equalized by
9 18 the director of revenue as provided in section 441.49, at
9 19 which commercial property shall be assessed shall be one
9 20 hundred percent.

9 21 Sec. 17. Section 441.21, Code Supplement 2005, is amended
9 22 by adding the following new subsection:

9 23 NEW SUBSECTION. 5A. For valuations established for the
9 24 assessment year beginning January 1, 2007, and each year
9 25 thereafter, the percentage of actual value, as equalized by
9 26 the director of revenue as provided in section 441.49, at
9 27 which industrial property shall be assessed shall be one
9 28 hundred percent.

9 29 Sec. 18. Section 441.21, subsection 6, Code Supplement
9 30 2005, is amended to read as follows:

9 31 6. Beginning with valuations established as of January 1,
9 32 1978, the assessors shall report the aggregate taxable values
9 33 and the number of dwellings located on agricultural land and
9 34 the aggregate taxable value of all other structures on
9 35 agricultural land. Beginning with valuations established as
10 1 of January 1, 1981, the agricultural dwellings located on
10 2 agricultural land shall be valued at their market value as
10 3 defined in this section and agricultural dwellings shall be
10 4 valued as rural residential property and shall be assessed at
10 5 the same percentage of actual value as is all other
10 6 residential property. For valuations established for the
10 7 assessment year beginning January 1, 2007, and each year
10 8 thereafter, the land, equal to one acre, containing an
10 9 agricultural dwelling shall be valued at its market value as
10 10 defined in this section and shall be valued as rural
10 11 residential property and shall be assessed at the same
10 12 percentage of actual value as is all other residential
10 13 property.

10 14 Sec. 19. Section 441.21, subsections 9 and 10, Code
10 15 Supplement 2005, are amended by striking the subsections.

10 16 Sec. 20. Section 441.23, Code 2005, is amended to read as
10 17 follows:

10 18 441.23 NOTICE OF VALUATION.

10 19 If there has been an increase or decrease in the valuation
10 20 of the property, or upon the written request of the person
10 21 assessed, the assessor shall, at the time of making the
10 22 assessment, inform the person assessed, in writing, of the
10 23 valuation put upon the taxpayer's property, and notify the
10 24 person, that if the person feels aggrieved, to appear before
10 25 the board of review and show why the assessment should be
10 26 changed. However, if the valuation of a class of property is
10 27 uniformly decreased, the assessor may notify the affected
10 28 property owners by publication in the official newspapers of
10 29 the county. The owners of real property shall be notified not
10 30 later than ~~April~~ September 15 of any adjustment of the real
10 31 property assessment.

10 32 Sec. 21. Section 441.26, unnumbered paragraphs 2 and 3,
10 33 Code 2005, are amended to read as follows:

10 34 If you are not satisfied that the foregoing assessment is
10 35 correct, you may file a protest against such assessment with
11 1 the board of review on or after ~~April~~ September 16, to and
11 2 including ~~May~~ October 5, of the year of the assessment, such
11 3 protest to be confined to the grounds specified in section
11 4 441.37.

11 5 Dated: day of .. (month), (year)

11 6

11 7 County/City Assessor.

11 8 The notice in ~~1981~~ and each odd-numbered year ~~thereafter~~
11 9 shall contain a statement that the assessments ~~are were~~
11 10 subject to equalization pursuant to an order issued by the
11 11 director of revenue, that the county auditor shall give notice
11 12 on or before ~~October 15~~ September 14 by publication in an
11 13 official newspaper of general circulation to any class of
11 14 property affected by the equalization order, and that the
11 15 board of review shall be in session from October ~~15~~ 1 to
11 16 November ~~15~~ 10 to hear protests of affected property owners or
11 17 taxpayers whose valuations have been adjusted by the
11 18 equalization order.

11 19 Sec. 22. Section 441.28, Code Supplement 2005, is amended
11 20 to read as follows:

11 21 441.28 ASSESSMENT ROLLS == CHANGE == NOTICE TO TAXPAYER.

11 22 1. The assessment shall be completed not later than April
11 23 ~~15~~ 1 each year. If the assessor makes any change in an

11 24 assessment after it has been entered on the assessor's rolls,
11 25 the assessor shall note on the roll, together with the
11 26 original assessment, the new assessment and the reason for the
11 27 change, together with the assessor's signature and the date of
11 28 the change. Provided, however, in the event the assessor
11 29 increases any assessment the assessor shall give notice of the
11 30 increase in writing to the taxpayer by mail postmarked no
11 31 later than April 15 1. No changes shall be made on the
11 32 assessment rolls after April 15 1 except by order of the board
11 33 of review or of the property assessment appeal board, or by
11 34 decree of court.

11 35 2. The county assessor of each county and each city
12 1 assessor shall, on or before July 1 of each year, make out and
12 2 transmit to the department of revenue an abstract of the real
12 3 property in the assessor's county or city, as the case may be,
12 4 and file a copy of the abstract with the county auditor, in
12 5 which the assessor shall set forth:

12 6 a. The number of acres of land and the aggregate taxable
12 7 values of the land, exclusive of city lots, returned by the
12 8 assessors.

12 9 b. The aggregate taxable values of real estate by class in
12 10 each township and city in the county.

12 11 c. Other facts required by the director of revenue.

12 12 3. Completed assessments shall be mailed to taxpayers on
12 13 or before September 15. Completed assessments mailed in the
12 14 odd-numbered year shall have been adjusted as ordered by the
12 15 department pursuant to section 441.49.

12 16 4. The county assessor of each county and each city
12 17 assessor shall, on or before December 2 of each year, make out
12 18 and transmit to the department of revenue a revised abstract,
12 19 as corrected by the board of review, of the real property in
12 20 the assessor's county or city, as the case may be, and file a
12 21 copy of the revised abstract with the county auditor.

12 22 Sec. 23. Section 441.33, Code 2005, is amended to read as
12 23 follows:

12 24 441.33 SESSIONS OF BOARD OF REVIEW.

12 25 The board of review shall be in session from ~~May~~ October 1
12 26 through the period of time necessary to act on all protests
12 27 filed under section 441.37 but not later than ~~May~~ October 31
12 28 ~~each year in even-numbered years and November 10 in odd-~~
12 29 ~~numbered years~~ and for an additional period as required under
12 30 section 441.37 and shall hold as many meetings as are
12 31 necessary to discharge its duties. On or before ~~May~~ October
12 32 ~~31 or November 10, as applicable,~~ in those years in which a
12 33 session has not been extended as required under section
12 34 441.37, the board shall return all books, records, and papers
12 35 to the assessor except undisposed of protests and records

13 1 pertaining to those protests. If it has not completed its
13 2 work by ~~May~~ October 31 ~~or November 10, as applicable,~~ in those
13 3 years in which the session has not been extended under section
13 4 441.37, the director of revenue may authorize the board of
13 5 review to continue in session for a period necessary to
13 6 complete its work, but the director of revenue shall not
13 7 approve a continuance extending beyond ~~July~~ November 15 in
13 8 ~~even-numbered years and November 20 in odd-numbered years.~~ On

13 9 or before ~~May~~ October 31 ~~or November 10, as applicable,~~ or on
13 10 the final day of any extended session required under section
13 11 441.37 or authorized by the director of revenue, the board of
13 12 review shall adjourn until ~~May~~ October 1 of the following

13 13 year. It shall adopt its own rules of procedure, elect its
13 14 own chairperson from its membership, and keep minutes of its
13 15 meetings. The board shall appoint a clerk who may be a member
13 16 of the board or any other qualified person, except the
13 17 assessor or any member of the assessor's staff. It may be
13 18 reconvened by the director of revenue. All undisposed
13 19 protests in its hands on ~~July~~ November 15 in ~~even-numbered~~
13 20 ~~years and November 20 in odd-numbered years~~ shall be

13 21 automatically overruled and returned to the assessor together
13 22 with its other records.
13 23 Within fifteen days following ~~the final~~ adjournment of any
13 24 regular ~~or special~~ session, the board of review shall submit
13 25 to the director of revenue, on forms prescribed by the
13 26 director, a report of any actions taken during that session.

13 27 Sec. 24. Section 441.37, subsection 1, unnumbered
13 28 paragraph 1, Code Supplement 2005, is amended to read as
13 29 follows:
13 30 Any property owner or aggrieved taxpayer who is
13 31 dissatisfied with the owner's or taxpayer's assessment may
13 32 file a protest against such assessment with the board of
13 33 review on or after ~~April~~ September 16, to and including ~~May~~
13 34 October 5, of the year of the assessment. In any county which

13 35 has been declared to be a disaster area by proper federal
14 1 authorities after ~~March~~ August 1 and prior to ~~May~~ October 20
14 2 of ~~said~~ the year of assessment, the board of review shall be
14 3 authorized to remain in session until ~~June~~ November 15 in
14 4 ~~even-numbered years and November 20 in odd-numbered years~~ and
14 5 the time for filing a protest shall be extended to and include
14 6 the period from ~~May~~ October 25 to ~~June~~ November 5 of such
14 7 year. ~~Said~~ The protest shall be in writing and signed by the
14 8 one protesting or by the protester's duly authorized agent.
14 9 The taxpayer may have an oral hearing ~~thereon on the protest~~
14 10 if ~~a written request therefor in writing for an oral hearing~~
14 11 is made at the time of filing the protest. ~~Said~~ The protest
14 12 must be confined to one or more of the following grounds:

14 13 Sec. 25. NEW SECTION. 441.37A ASSESSMENT REVIEW WITH THE
14 14 ASSESSOR.

14 15 1. The protest of assessment filed pursuant to section
14 16 441.37 may include a written request for an assessment review
14 17 with the local assessor prior to the board of review
14 18 considering the protest. The assessor shall conduct
14 19 assessment reviews from September 16 through September 30.

14 20 2. After the assessment review with the local assessor,
14 21 the aggrieved taxpayer or owner may withdraw the protest filed
14 22 with the board of review or may proceed with consideration of
14 23 the protest before the board of review.

14 24 3. If the assessor changes the assessment protested as a
14 25 result of an assessment review, the assessor shall mail an
14 26 amended assessment notice to the aggrieved taxpayer or owner
14 27 and to the board of review. If the assessment is changed but
14 28 the aggrieved taxpayer or owner elects to proceed with
14 29 consideration of the protest by the board of review, the
14 30 assessment considered by the board of review shall be the
14 31 amended assessment.

14 32 4. Any protests for which an assessment review was
14 33 requested and not disposed of by September 30 shall be
14 34 considered by the board of review.

14 35 Sec. 26. Section 441.38, Code Supplement 2005, is amended
15 1 to read as follows:

15 2 1. ~~Appeals In even-numbered years, appeals~~ may be taken
15 3 from the action of the local board of review with reference to
15 4 protests of assessment, to the district court of the county in
15 5 which the board holds its sessions within twenty days after
15 6 its adjournment or ~~May~~ October 31, whichever date is later.
15 7 In odd-numbered years, appeals may be taken within twenty days
15 8 after its adjournment or November 10, whichever date is later.

15 9 Appeals may be taken from the action of the property
15 10 assessment appeal board to the district court of the county
15 11 where the property which is the subject of the appeal is
15 12 located within twenty days after the letter of disposition of
15 13 the appeal by the property assessment appeal board is
15 14 postmarked to the appellant. No new grounds in addition to
15 15 those set out in the protest to the local board of review as
15 16 provided in section 441.37, or in addition to those set out in
15 17 the appeal to the property assessment appeal board, if
15 18 applicable, can be pleaded, but additional evidence to sustain
15 19 those grounds may be introduced. The assessor shall have the
15 20 same right to appeal and in the same manner as an individual
15 21 taxpayer, public body, or other public officer as provided in
15 22 section 441.42. Appeals shall be taken by filing a written
15 23 notice of appeal with the clerk of district court. Filing of
15 24 the written notice of appeal shall preserve all rights of
15 25 appeal of the appellant.

15 26 2. Notice of appeal shall be served as an original notice
15 27 on the chairperson, presiding officer, or clerk of the board
15 28 of review within twenty days after its adjournment or ~~May~~
15 29 October 31, whichever is later, and on the secretary of the
15 30 property assessment appeal board, if applicable.

15 31 Sec. 27. Section 441.47, Code 2005, is amended to read as
15 32 follows:

15 33 441.47 ADJUSTED VALUATIONS.

15 34 1. The director of revenue on or about August ~~15, 1977~~ 1,
15 35 2007, and every two years thereafter shall order the

16 1 equalization of the levels of assessment of each class of
16 2 property in the several assessing jurisdictions by adding to
16 3 or deducting from the valuation of each class of property such
16 4 percentage in each case as may be necessary to bring the same
16 5 to its taxable value as fixed in this chapter and chapters 427
16 6 to 443. The director shall adjust to actual value the
16 7 valuation of any class of property as set out in the abstract
16 8 of assessment when the valuation is at least five percent
16 9 above or below actual value as determined by the director.

16 10 2. For purposes of such value adjustments and before such

16 11 equalization the director shall adopt, in the manner
16 12 prescribed by chapter 17A, such rules as may be necessary to
16 13 determine the level of assessment for each class of property
16 14 in each county. The rules shall cover all of the following:
16 15 (1) ~~a.~~ The proposed use of the assessment-sales ratio
16 16 study set out in section 421.17, subsection 6~~+~~1.
16 17 (2) ~~b.~~ ~~the~~ The proposed use of any statewide income
16 18 capitalization studies~~+~~1.
16 19 (3) ~~c.~~ ~~the~~ The proposed use of other methods that would
16 20 assist the director in arriving at the accurate level of
16 21 assessment of each class of property in each assessing
16 22 jurisdiction.
16 23 3. Each county for which a multicounty assessor is
16 24 appointed pursuant to section 441.16A is considered a separate
16 25 assessing jurisdiction for purposes of this section.
16 26 Sec. 28. Section 441.49, unnumbered paragraphs 1, 2, 3,
16 27 and 5, Code Supplement 2005, are amended to read as follows:
16 28 The director shall keep a record of the review and
16 29 adjustment proceedings and finish the proceedings on or before
16 30 ~~October 1~~ August 25 unless for good cause the proceedings
16 31 cannot be completed by that date. The director shall notify
16 32 each county auditor by mail of the final action taken at the
16 33 proceedings and specify any adjustments in the valuations of
16 34 any class of property to be made effective for the
16 35 jurisdiction.
17 1 However, an assessing jurisdiction may request the director
17 2 to permit the use of an alternative method of applying the
17 3 equalization order to the property values in the assessing
17 4 jurisdiction, provided that the final valuation shall be
17 5 equivalent to the director's equalization order. The
17 6 assessing jurisdiction shall notify the county auditor of the
17 7 request for the use of an alternative method of applying the
17 8 equalization order and the director's disposition of the
17 9 request. The request to use an alternative method of applying
17 10 the equalization order, including procedures for notifying
17 11 affected property owners and appealing valuation adjustments,
17 12 shall be made within ~~ten~~ six days from the date the county
17 13 auditor receives the equalization order and the valuation
17 14 adjustments, and appeal procedures shall be completed by
17 15 ~~November~~ September 30 of the year of the equalization order.
17 16 Compliance with the provisions of section 441.21 is sufficient
17 17 grounds for the director to permit the use of an alternative
17 18 method of applying the equalization order.
17 19 On or before ~~October 15~~ September 14 the county auditor
17 20 shall cause to be published in official newspapers of general
17 21 circulation the final equalization order. The publication
17 22 shall include, in type larger than the remainder of the
17 23 publication, the following statement: "Assessed values are
17 24 equalized by the department of revenue every two years. Local
17 25 taxing authorities determine the final tax levies and may
17 26 reduce property tax rates to compensate for any increase in
17 27 valuation due to equalization." Failure to publish the
17 28 equalization order has no effect upon the validity of the
17 29 orders.
17 30 The local board of review shall ~~reconvene in special~~
17 31 ~~session from October 15 to November 15 for the purpose of~~
17 32 ~~hearing, at its regular session, hear~~ the protests of affected
17 33 property owners or taxpayers within the jurisdiction of the
17 34 board whose valuation of property if adjusted pursuant to the
17 35 equalization order issued by the director of revenue will
18 1 result in a greater value than permitted under section 441.21.
18 2 ~~The board of review shall accept protests only during the~~
18 3 ~~first ten days following the date the local board of review~~
18 4 ~~reconvenes. Protests shall be filed with the board from~~
18 5 ~~September 16 through October 5.~~ The board of review shall
18 6 limit its review to only the timely filed protests. The board
18 7 of review may adjust all or a part of the percentage increase
18 8 ordered by the director of revenue by adjusting the actual
18 9 value of the property under protest to one hundred percent of
18 10 actual value. Any adjustment so determined by the board of
18 11 review shall not exceed the percentage increase provided for
18 12 in the director's equalization order. The determination of
18 13 the board of review on filed protests is final, subject to
18 14 appeal to the property assessment appeal board. A final
18 15 decision by the local board of review, or the property
18 16 assessment appeal board, if the local board's decision is
18 17 appealed, is subject to review by the director of revenue for
18 18 the purpose of determining whether the board's actions
18 19 substantially altered the equalization order. In making the
18 20 review, the director has all the powers provided in chapter
18 21 421, and in exercising the powers the director is not subject

18 22 to chapter 17A. Not later than fifteen days following the
18 23 adjournment of the board, the board of review shall submit to
18 24 the director of revenue, on forms prescribed by the director,
18 25 a report of all actions taken by the board of review during
18 26 this session.

18 27 Sec. 29. Section 441.50, Code 2005, is amended to read as
18 28 follows:

18 29 441.50 APPRAISERS EMPLOYED.

18 30 The conference board shall have power to employ appraisers
18 31 or other technical or expert help to assist in the valuation
18 32 of property, the cost thereof to be paid in the same manner as
18 33 other expenses of the assessor's office. ~~The conference board~~
18 34 ~~may certify for levy annually an amount not to exceed forty~~
18 35 ~~and one-half cents per thousand dollars of assessed value of~~
19 1 ~~taxable property for the purpose of establishing a special~~
19 2 ~~appraiser's fund, to be used only for such purposes. From~~
19 3 ~~time to time the conference board may direct the transfer of~~
19 4 ~~any unexpended balance in the special appraiser's fund to the~~
19 5 ~~assessment expense fund.~~

19 6 Sec. 30. Section 441.54, Code 2005, is amended to read as
19 7 follows:

19 8 441.54 CONSTRUCTION.

19 9 Whenever in the laws of this state, the words "assessor" or
19 10 "assessors" appear, singly or in combination with other words,
19 11 they shall be deemed to mean and refer to the multicounty,
19 12 county, or city assessor, as the case may be.

19 13 Sec. 31. NEW SECTION. 441.58 CONFIDENTIALITY OF CERTAIN
19 14 INFORMATION REQUIRED == ASSESSOR AND BOARD OF REVIEW.

19 15 The assessor and the board of review shall keep
19 16 confidential any documents, reports, audits, and other
19 17 information supplied by a taxpayer or property owner relating
19 18 to the amount or source of income, profits, losses, or
19 19 expenditures of the taxpayer or property owner, except that
19 20 such information shall be made available to the taxpayer or
19 21 property owner or that person's counsel and to the court in
19 22 case any appeal is taken.

19 23 Sec. 32. Section 443.22, Code 2005, is amended to read as
19 24 follows:

19 25 443.22 UNIFORM ASSESSMENTS MANDATORY.

19 26 All assessors and assessing bodies, including the
19 27 department of revenue having authority over the assessment of
19 28 property for tax purposes, shall comply with sections 428.4,
19 29 428.29, 434.15, 438.13, 441.21, and ~~441.45~~ 441.28. The
19 30 department of revenue having authority over the assessments,
19 31 shall exercise its powers and perform its duties under section
19 32 421.17 and other applicable laws so as to require the uniform
19 33 and consistent application of said section.

19 34 Sec. 33. Sections 433.6, 437.7, and 441.45, Code 2005, are
19 35 repealed.

20 1 Sec. 34. APPLICABILITY DATE. Except as otherwise provided
20 2 in this division, this division of this Act applies to
20 3 assessment years beginning on or after January 1, 2007.

20 4 DIVISION II

20 5 CREDITS, EXEMPTIONS, AND REIMBURSEMENTS

20 6 Sec. 35. Section 25B.7, subsection 2, Code 2005, is
20 7 amended to read as follows:

20 8 2. The requirement for fully funding and the consequences
20 9 of not fully funding credits and exemptions under subsection 1
20 10 also ~~apply to all of the following:~~

20 11 ~~a. Homestead tax credit pursuant to sections 425.1 through~~
20 12 ~~425.15.~~

20 13 ~~b. Low-income applies to the property tax credit and~~
20 14 ~~elderly and disabled property tax credit pursuant to sections~~
20 15 ~~425.16 through 425.40.~~

20 16 ~~c. Military service property tax credit and exemption~~
20 17 ~~pursuant to chapter 426A, to the extent of six dollars and~~
20 18 ~~ninety-two cents per thousand dollars of assessed value of the~~
20 19 ~~exempt property.~~

20 20 Sec. 36. Section 100.18, subsection 2, paragraph b, Code
20 21 2005, is amended to read as follows:

20 22 b. The rules shall require the installation of smoke
20 23 detectors in existing single=family rental units and multiple=
20 24 unit residential buildings. Existing single=family dwelling
20 25 units shall be equipped with approved smoke detectors. A
20 26 person who files for a homestead credit exemption pursuant to
20 27 chapter 425 shall certify that the single=family dwelling unit
20 28 for which the credit exemption is filed has a smoke detector
20 29 installed in compliance with this section, or that one will be
20 30 installed within thirty days of the date the filing for the
20 31 credit exemption is made. The state fire marshal shall adopt
20 32 rules and establish appropriate procedures to administer this

20 33 subsection.

20 34 Sec. 37. Section 216.12, subsection 5, Code 2005, is

20 35 amended to read as follows:

21 1 5. The rental or leasing of a housing accommodation in a

21 2 building which contains housing accommodations for not more

21 3 than four families living independently of each other, if the

21 4 owner resides in one of the housing accommodations for which

21 5 the owner qualifies for the homestead tax credit under ~~section~~

~~21 6 425.1 chapter 425.~~

21 7 Sec. 38. Section 331.401, subsection 1, paragraphs e, f,

21 8 and g, Code 2005, are amended by striking the paragraphs.

21 9 Sec. 39. Section 331.403, subsection 3, Code 2005, is

21 10 amended by striking the subsection.

21 11 Sec. 40. Section 331.429, subsection 1, paragraphs a and

21 12 b, Code 2005, are amended to read as follows:

21 13 a. Transfers from the general fund not to exceed in any

21 14 year the dollar equivalent of a tax of sixteen and seven=

21 15 eighths cents per thousand dollars of assessed value on all

21 16 taxable property in the county multiplied by the ratio of

21 17 current taxes actually collected and apportioned for the

21 18 general basic levy to the total general basic levy for the

21 19 current year, and an amount equivalent to the moneys derived

21 20 by the general fund from ~~military service tax credits under~~

~~21 21 chapter 426A,~~ manufactured or mobile home taxes under section

21 22 435.22, and delinquent taxes for prior years collected and

21 23 apportioned to the general basic fund in the current year,

21 24 multiplied by the ratio of sixteen and seven=eighths cents to

21 25 three dollars and fifty cents.

21 26 b. Transfers from the rural services fund not to exceed in

21 27 any year the dollar equivalent of a tax of three dollars and

21 28 three=eighths cents per thousand dollars of assessed value on

21 29 all taxable property not located within the corporate limits

21 30 of a city in the county multiplied by the ratio of current

21 31 taxes actually collected and apportioned for the rural

21 32 services basic levy to the total rural services basic levy for

21 33 the current year and an amount equivalent to the moneys

21 34 derived by the rural services fund from ~~military service tax~~

~~21 35 credits under chapter 426A,~~ manufactured or mobile home taxes

22 1 under section 435.22, and delinquent taxes for prior years

22 2 collected and apportioned to the rural services basic fund in

22 3 the current year, multiplied by the ratio of three dollars and

22 4 three=eighths cents to three dollars and ninety=five cents.

22 5 Sec. 41. Section 331.512, subsection 3, Code 2005, is

22 6 amended to read as follows:

22 7 3. Carry out duties relating to the homestead tax credit

22 8 and ~~agricultural land tax credit~~ rent reimbursement as

22 9 provided in ~~chapters~~ chapter 425 and 426.

22 10 Sec. 42. Section 331.512, subsection 4, Code 2005, is

22 11 amended by striking the subsection.

22 12 Sec. 43. Section 331.559, subsection 12, Code 2005, is

22 13 amended to read as follows:

22 14 12. Carry out duties relating to the administration of the

22 15 homestead tax credit and rent reimbursement, as provided in

22 16 ~~sections 425.4, 425.5, 425.7, 425.9, 425.10, and section~~

22 17 ~~425.25.~~

22 18 Sec. 44. Section 331.559, subsections 13 and 14, Code

22 19 2005, are amended by striking the subsections.

22 20 Sec. 45. Section 384.22, unnumbered paragraph 2, Code

22 21 2005, is amended by striking the unnumbered paragraph.

22 22 Sec. 46. Section 404.3, subsection 1, Code 2005, is

22 23 amended to read as follows:

22 24 1. All qualified real estate assessed as residential

22 25 property is eligible to receive an exemption from taxation

22 26 based on the actual value added by the improvements. The

22 27 exemption is for a period of ten years. The amount of the

22 28 exemption is equal to a percent of the actual value added by

22 29 the improvements, determined as follows: One hundred fifteen

22 30 percent of the value added by the improvements. However, the

22 31 amount of the actual value added by the improvements which

22 32 shall be used to compute the exemption shall not exceed twenty

22 33 thousand dollars ~~and the granting of the exemption shall not~~

~~22 34 result in the actual value of the qualified real estate being~~

~~22 35 reduced below the actual value on which the homestead credit~~

~~23 1 is computed under section 425.1.~~

23 2 Sec. 47. Section 420.207, Code 2005, is amended to read as

23 3 follows:

23 4 420.207 TAXATION IN GENERAL.

23 5 Sections ~~426A.11 through 426A.15,~~ 427.1, 427.8 to 427.11,

23 6 428.4, 428.20, 428.22, 428.23, 437.1, 437.3, 441.21, 443.1 to

23 7 443.3, 444.2 to 444.5, and 447.9 to 447.13, so far as

23 8 applicable, apply to cities acting under special charters.

23 9 Sec. 48. NEW SECTION. 422.11M MILITARY VETERANS TAX
23 10 CREDIT.

23 11 1. The taxes imposed under this division, less the credits
23 12 allowed under sections 422.12 and 422.12B, shall be reduced by
23 13 a military veterans tax credit equal to thirty-five dollars.
23 14 To qualify for the credit, the taxpayer must be an honorably
23 15 separated, retired, furloughed to a reserve, placed on
23 16 inactive status, or discharged veteran as defined in section
23 17 35.1. "Veteran" also includes, without limitation, the
23 18 members of the United States air force, merchant marine, and
23 19 coast guard.

23 20 2. In case a person specified in subsection 1 does not
23 21 claim the tax credit for a tax year, the credit may be claimed
23 22 by any one of the following persons in the order named:

23 23 a. The spouse, or surviving spouse, of a veteran, as
23 24 described in subsection 1, where they are living together or
23 25 were living together at the time of the death of the veteran.

23 26 b. The parent whose spouse is deceased, of a veteran, as
23 27 described in subsection 1, whether living or deceased, where
23 28 the parent is, or was at the time of death of the veteran,
23 29 dependent on the veteran for support.

23 30 c. The minor child, or children, of a deceased veteran, as
23 31 described in subsection 1.

23 32 3. To receive the military veterans tax credit, the
23 33 eligible taxpayer must file with the taxpayer's income tax
23 34 return the military certificate of satisfactory service, order
23 35 transferring to inactive status, reserve, retirement, order of
24 1 separation from service, honorable discharge, or a copy of any
24 2 of these documents of the person claiming or through whom is
24 3 claimed the exemption.

24 4 4. Any credit in excess of the tax liability shall be
24 5 refunded.

24 6 Sec. 49. Section 425.16, Code 2005, is amended to read as
24 7 follows:

24 8 425.16 ~~ADDITIONAL~~ HOMESTEAD TAX CREDIT AND RENT
24 9 REIMBURSEMENT.

~~24 10 In addition to the homestead tax credit allowed under~~
~~24 11 section 425.1, subsections 1 to 4, persons~~ Persons who own or
24 12 rent their homesteads and who meet the qualifications provided
24 13 in this division are eligible for ~~an extraordinary~~ a property
24 14 tax credit or reimbursement.

24 15 Sec. 50. Section 425.17, Code 2005, is amended by adding
24 16 the following new subsection:

24 17 NEW SUBSECTION. 1A. "Book", "list", "record", or
24 18 "schedule" kept by a county auditor, assessor, treasurer,
24 19 recorder, sheriff, or other county officer means the county
24 20 system as defined in section 445.1.

24 21 Sec. 51. Section 425.17, subsection 4, Code 2005, is
24 22 amended to read as follows:

24 23 4. "Homestead" means the dwelling owned or rented and
24 24 actually used as a home by the claimant during the period
24 25 specified in subsection 2, and so much of the land surrounding
24 26 it including one or more contiguous lots or tracts of land, as
24 27 is reasonably necessary for use of the dwelling as a home, and
24 28 may consist of a part of a multidwelling or multipurpose
24 29 building and a part of the land upon which it is built. It
24 30 does not include personal property except that a manufactured
24 31 or mobile home may be a homestead. Any dwelling or a part of
24 32 a multidwelling or multipurpose building which is exempt from
24 33 taxation does not qualify as a homestead under this division.
24 34 However, solely for purposes of claimants living in a property
24 35 and receiving reimbursement for rent constituting property
25 1 taxes paid immediately before the property becomes tax exempt,
25 2 and continuing to live in it after it becomes tax exempt, the
25 3 property shall continue to be classified as a homestead. A
25 4 homestead must be located in this state. When a person is
25 5 confined in a nursing home, extended-care facility, or
25 6 hospital, the person shall be considered as occupying or
25 7 living in the person's homestead if the person is the fee
25 8 simple owner of the homestead and the person maintains the

25 9 homestead and does not lease, rent, or otherwise receive
25 10 profits from other persons for the use of the homestead.

25 11 Sec. 52. Section 425.17, subsection 8, Code 2005, is
25 12 amended to read as follows:

25 13 8. "Property taxes due" means property taxes including any
25 14 special assessments, but exclusive of delinquent interest and
25 15 charges for services, due on a claimant's homestead in this
25 16 state, but includes only property taxes for which the claimant
25 17 is liable and which will actually be paid by the claimant.
25 18 However, if the claimant is a person whose property taxes have
25 19 been suspended under sections 427.8 and 427.9, "property taxes

25 20 due" means property taxes including any special assessments,
 25 21 but exclusive of delinquent interest and charges for services,
 25 22 due on a claimant's homestead in this state, but includes only
 25 23 property taxes for which the claimant is liable and which
 25 24 would have to be paid by the claimant if the payment of the
 25 25 taxes has not been suspended pursuant to sections 427.8 and
 25 26 427.9. "Property taxes due" shall be computed with no
 25 27 deduction for any credit under this division ~~or for any~~
~~25 28 homestead credit allowed under section 425.1.~~ Each claim
 25 29 shall be based upon the taxes due during the fiscal year next
 25 30 following the base year. If a homestead is owned by two or
 25 31 more persons as joint tenants or tenants in common, and one or
 25 32 more persons are not members of claimant's household,
 25 33 "property taxes due" is that part of property taxes due on the
 25 34 homestead which equals the ownership percentage of the
 25 35 claimant and the claimant's household. The county treasurer
 26 1 shall include with the tax receipt a statement that if the
 26 2 owner of the property is eighteen years of age or over, the
 26 3 person may be eligible for the credit allowed under this
 26 4 division. If a homestead is an integral part of a farm, the
 26 5 claimant may use the total property taxes due for the larger
 26 6 unit. If a homestead is an integral part of a multidwelling
 26 7 or multipurpose building the property taxes due for the
 26 8 purpose of this subsection shall be prorated to reflect the
 26 9 portion which the value of the property that the household
 26 10 occupies as its homestead is to the value of the entire
 26 11 structure. For purposes of this subsection, "unit" refers to
 26 12 that parcel of property covered by a single tax statement of
 26 13 which the homestead is a part.
 26 14 Sec. 53. Section 425.23, subsection 1, Code 2005, is
 26 15 amended to read as follows:
 26 16 1. a. The ~~tentative~~ credit or reimbursement for a
 26 17 claimant described in section 425.17, subsection 2, paragraph
 26 18 "a" and paragraph "b" if no appropriation is made to the fund
 26 19 created in section 425.40 shall be determined in accordance
 26 20 with the following schedule:
 26 21
 26 22
 26 23
 26 24 If the household
 26 25 income is:
 26 26 \$ 0 == 8,499.99 100%
 26 27 8,500 == 9,499.99 85
 26 28 9,500 == 10,499.99 70
 26 29 10,500 == 12,499.99 50
 26 30 12,500 == 14,499.99 35
 26 31 14,500 == 16,499.99 25
 26 32 b. If moneys have been appropriated to the fund created in
 26 33 section 425.40, the ~~tentative~~ credit or reimbursement for a
 26 34 claimant described in section 425.17, subsection 2, paragraph
 26 35 "b", shall be determined as follows:
 27 1 (1) If the amount appropriated under section 425.40 plus
 27 2 any supplemental appropriation made for a fiscal year for
 27 3 purposes of this lettered paragraph is at least twenty-seven
 27 4 million dollars, the ~~tentative~~ credit or reimbursement shall
 27 5 be determined in accordance with the following schedule:
 27 6
 27 7
 27 8
 27 9 If the household
 27 10 income is:
 27 11 \$ 0 == 8,499.99 100%
 27 12 8,500 == 9,499.99 85
 27 13 9,500 == 10,499.99 70
 27 14 10,500 == 12,499.99 50
 27 15 12,500 == 14,499.99 35
 27 16 14,500 == 16,499.99 25
 27 17 (2) If the amount appropriated under section 425.40 plus
 27 18 any supplemental appropriation made for a fiscal year for
 27 19 purposes of this lettered paragraph is less than twenty-seven
 27 20 million dollars, the ~~tentative~~ credit or reimbursement shall
 27 21 be determined in accordance with the following schedule:
 27 22
 27 23
 27 24
 27 25 If the household
 27 26 income is:
 27 27 \$ 0 == 8,499.99 50%
 27 28 8,500 == 9,499.99 42
 27 29 9,500 == 10,499.99 35
 27 30 10,500 == 12,499.99 25

27 31 12,500 == 14,499.99 17
27 32 14,500 == 16,499.99 12
27 33 Sec. 54. Section 425.23, subsection 2, Code 2005, is
27 34 amended by striking the subsection.
27 35 Sec. 55. Section 425.26, subsection 3, Code 2005, is
28 1 amended by striking the subsection.
28 2 Sec. 56. Section 425A.1, Code 2005, is amended by striking
28 3 the section and inserting in lieu thereof the following:
28 4 425A.1 FAMILY FARM TAX CREDIT FUND.
28 5 There is created as a permanent fund in the office of the
28 6 treasurer of state a fund to be known as the family farm tax
28 7 credit fund, and for the purpose of establishing and
28 8 maintaining this fund for each fiscal year there is
28 9 appropriated thereto from funds in the general fund not
28 10 otherwise appropriated the sum of thirty-nine million one
28 11 hundred thousand dollars. Any balance in the fund on June 30
28 12 shall revert to the general fund.
28 13 Sec. 57. Section 435.26, subsection 1, paragraph a, Code
28 14 2005, is amended to read as follows:
28 15 a. A mobile home or manufactured home which is located
28 16 outside a manufactured home community or mobile home park
28 17 shall be converted to real estate by being placed on a
28 18 permanent foundation and shall be assessed for real estate
28 19 taxes. ~~A home, after conversion to real estate, is eligible~~
~~28 20 for the homestead tax credit and the military service tax~~
~~28 21 exemption as provided in sections 425.2 and 426A.11.~~
28 22 Sec. 58. Section 435.26A, subsection 3, Code 2005, is
28 23 amended to read as follows:
28 24 3. After the surrender of a manufactured home's
28 25 certificate of title under this section, the manufactured home
28 26 shall continue to be taxed under section 435.22 and is not
28 27 eligible for the homestead tax credit ~~or the military service~~
~~28 28 tax exemption.~~ A foreclosure action on a manufactured home
28 29 whose title has been surrendered under this section shall be
28 30 conducted as a real estate foreclosure. A tax lien and its
28 31 priority shall remain the same on a manufactured home after
28 32 its certificate of title has been surrendered.
28 33 Sec. 59. Section 441.21, subsection 1, paragraph i,
28 34 unnumbered paragraph 4, Code Supplement 2005, is amended to
28 35 read as follows:
29 1 By January 1 of the assessment year following the calendar
29 2 year in which the plan was submitted to the department, the
29 3 conference board shall submit a report to the department
29 4 indicating that the plan of action was followed and compliance
29 5 has been achieved. The department may conduct a field
29 6 inspection to ensure that the assessor is in compliance. By
29 7 January 31, the department shall notify the assessor and the
29 8 conference board, by restricted certified mail, either that
29 9 compliance has been achieved or that the assessor remains in
29 10 noncompliance. If the department determines that the assessor
29 11 remains in noncompliance, the department shall take steps to
29 12 withhold up to five percent of the ~~reimbursement~~ payment
29 13 authorized in section ~~425.1~~ 425.19 until the director of
29 14 revenue determines that the assessor is in compliance.
29 15 Sec. 60. Section 441.73, subsection 4, Code 2005, is
29 16 amended to read as follows:
29 17 4. The executive council shall transfer for ~~the fiscal~~
~~29 18 year beginning July 1, 1992, and each fiscal year thereafter,~~
29 19 from funds ~~the fund~~ established in ~~sections 425.1 and 426.1~~
29 20 ~~section 425A.1,~~ an amount necessary to pay litigation
29 21 expenses. ~~The amount of the fund for transferred and~~
~~29 22 deposited into the litigation expense fund each fiscal year~~
29 23 shall not exceed seven hundred thousand dollars. The
29 24 executive council shall determine annually the ~~proportionate~~
~~29 25 amounts amount~~ to be transferred from the ~~two separate funds~~
29 26 ~~fund established in section 425A.1.~~ At any time when ~~no~~
29 27 litigation is ~~not~~ pending or in progress the balance in the
29 28 litigation expense fund shall not exceed one hundred thousand
29 29 dollars. Any excess moneys shall be transferred ~~in a~~
~~29 30 proportionate amount back to the funds from which they were~~
~~29 31 originally transferred fund established in section 425A.1.~~
29 32 Sec. 61. Section 499A.14, Code 2005, is amended to read as
29 33 follows:
29 34 499A.14 TAXATION.
29 35 The real estate shall be taxed in the name of the
30 1 cooperative, and each member of the cooperative shall pay that
30 2 member's proportionate share of the tax in accordance with the
30 3 proration formula set forth in the bylaws, and each member
30 4 occupying an apartment as a residence shall receive that
30 5 member's proportionate homestead tax credit ~~and each veteran~~
~~30 6 of the military services of the United States identified as~~

~~30 7 such under the laws of the state of Iowa or the United States~~
~~30 8 shall receive as a credit that member's veterans tax benefit~~
~~30 9 as prescribed by the laws of the state of Iowa.~~

30 10 Sec. 62. Sections 425.2 through 425.10, 425.12, 425.13,
30 11 425.15, 426A.1 through 426A.9, 426A.14, and 426A.15, Code
30 12 2005, are repealed. Chapter 426, Code 2005, is repealed.

30 13 Sec. 63. Sections 425.1, 425.11, and 426A.11 through
30 14 426A.13, Code Supplement 2005, are repealed.

30 15 Sec. 64. INTENT. It is the intent of the general assembly
30 16 to offset the repeal of the homestead credit in this Act by
30 17 annually appropriating a commensurate amount to the school
30 18 foundation program under chapter 257.

30 19 Sec. 65. APPLICABILITY DATE. Except as otherwise provided
30 20 in this division, this division of this Act applies to fiscal
30 21 years beginning on or after July 1, 2007.

30 22 DIVISION III
30 23 BUDGETING AND TAXATION

30 24 Sec. 66. Section 331.434, Code 2005, is amended by adding
30 25 the following new subsection:

30 26 NEW SUBSECTION. 1A. The budget shall also show all of the
30 27 following:

30 28 a. The change in property valuations from the preceding
30 29 year.

30 30 b. A comparison of the proposed change in revenues and the
30 31 amount to be raised from property taxation from the preceding
30 32 two years.

30 33 c. The proposed change in property tax rates from the
30 34 preceding year.

30 35 d. The amount the property tax rate would be if the amount
31 1 to be raised from property taxes in the budget year was equal
31 2 to the amount raised from property taxes the preceding year.

31 3 e. A description of all major changes in revenue and
31 4 expenditures for the proposed budget.

31 5 f. A comparison of the actual taxes levied in the
31 6 preceding year and the amount of taxes to be levied in the
31 7 proposed budget on one representative property from each of
31 8 the classes of agricultural property, commercial property,
31 9 industrial property, and residential property.

31 10 The information to be provided by paragraphs "a" through
31 11 "c", "e", and "f", shall be presented as increases or
31 12 decreases in dollar amounts and percentages. The information
31 13 required in this subsection shall be presented in the detail
31 14 and form prescribed by the director of the department of
31 15 management.

31 16 Sec. 67. Section 331.434, subsections 3 and 6, Code 2005,
31 17 are amended to read as follows:

31 18 3. The board shall set a time and place for a public
31 19 hearing on the budget before the final certification date and
31 20 shall publish notice of the hearing not less than ~~ten~~ four nor
31 21 more than twenty days prior to the hearing in the county
31 22 newspapers selected under chapter 349. A summary of the
31 23 proposed budget, in the form prescribed by the director of the
31 24 department of management, shall be included in the notice.

31 25 The notice shall also include the information required in
31 26 subsection 1A. Proof of publication shall be filed with and
31 27 preserved by the auditor. A levy is not valid unless and
31 28 until the notice is published and filed. The department of
31 29 management shall prescribe the form for the public hearing
31 30 notice for use by counties.

31 31 6. The board shall appropriate, by resolution, the amounts
31 32 deemed necessary for each of the different county officers and
31 33 departments during the ensuing fiscal year. Increases or
31 34 decreases in these appropriations do not require a budget
31 35 amendment, but may be provided by resolution at a regular
32 1 meeting of the board, as long as each class of proposed
32 2 expenditures contained in the certified budget summary

~~32 3 published under subsection 3 of this section is not increased.~~
32 4 However, decreases in appropriations for a county officer or
32 5 department of more than ten percent or five thousand dollars,
32 6 whichever is greater, shall not be effective unless the board
32 7 sets a time and place for a public hearing on the proposed
32 8 decrease and publishes notice of the hearing not less than ten
32 9 nor more than twenty days prior to the hearing in the county
32 10 newspapers selected under chapter 349.

32 11 Sec. 68. Section 384.16, Code Supplement 2005, is amended
32 12 by adding the following new subsection:

32 13 NEW SUBSECTION. 1A. The budget shall also show all of the
32 14 following:

32 15 a. The change in property valuations from the preceding
32 16 year.

32 17 b. A comparison of the proposed change in revenues and the

32 18 amount to be raised from property taxation from the preceding
32 19 two years.
32 20 c. The proposed change in property tax rates from the
32 21 preceding year.
32 22 d. The amount the property tax rate would be if the amount
32 23 to be raised from property taxes in the budget year was equal
32 24 to the amount raised from property taxes the preceding year.
32 25 e. A description of all major changes in revenue and
32 26 expenditures for the proposed budget.

32 27 f. A comparison of the actual taxes levied in the
32 28 preceding year and the amount of taxes to be levied in the
32 29 proposed budget on one representative property from each of
32 30 the classes of agricultural property, commercial property,
32 31 industrial property, and residential property.

32 32 The information to be provided by paragraphs "a" through
32 33 "c", "e", and "f" shall be presented as increases or decreases
32 34 in dollar amounts and percentages. The information required
32 35 in this subsection shall be presented in the detail and form
33 1 prescribed by the director of the department of management.

33 2 Sec. 69. Section 384.16, subsection 3, Code Supplement
33 3 2005, is amended to read as follows:

33 4 3. The council shall set a time and place for public
33 5 hearing on the budget before the final certification date and
33 6 shall publish notice of the hearing not less than ~~ten~~ four nor
33 7 more than twenty days before the hearing in a newspaper
33 8 published at least once weekly and having general circulation
33 9 in the city. However, if the city has a population of two
33 10 hundred or less, publication may be made by posting in three
33 11 public places in the city. A summary of the proposed budget
33 12 shall be included in the notice. The notice shall also

33 13 include the information required in subsection 1A. Proof of
33 14 publication must be filed with the county auditor. The
33 15 department of management shall prescribe the form for the
33 16 public hearing notice for use by cities.

33 17 Sec. 70. APPLICABILITY DATE. This division of this Act
33 18 takes effect July 1, 2007, and applies to fiscal years
33 19 beginning on or after July 1, 2008.

33 20 DIVISION IV

33 21 MAXIMUM PROPERTY TAX DOLLARS

33 22 Sec. 71. Section 331.423, Code 2005, is amended by
33 23 striking the section and inserting in lieu thereof the
33 24 following:

33 25 331.423 PROPERTY TAX DOLLARS == MAXIMUMS.

33 26 1. Annually, the board shall determine separate property
33 27 tax levy limits to pay for general county services and rural
33 28 county services in accordance with this section. The property
33 29 tax levies separately certified for general county services
33 30 and rural county services in accordance with section 331.434
33 31 shall not exceed the amount determined under this section.

33 32 2. For purposes of this section and section 331.423A:

33 33 a. "Annual price index" means the sum of one plus the
33 34 change, computed to four decimal places, between the
33 35 preliminary price index for the third quarter of the calendar
34 1 year preceding the calendar year in which the budget year
34 2 begins and the revised price index for the third quarter of
34 3 the previous calendar year. The price index used shall be the
34 4 state and local government chain-type price index used in the
34 5 quantity and price indexes for gross domestic product as
34 6 published by the United States department of commerce.

34 7 b. "Boundary adjustment" means annexation, severance,
34 8 incorporation, or discontinuance as those terms are defined in
34 9 section 368.1.

34 10 c. "Budget year" is the fiscal year beginning during the
34 11 calendar year in which a budget is certified.

34 12 d. "Current fiscal year" is the fiscal year ending during
34 13 the calendar year in which a budget is certified.

34 14 e. "Net new valuation taxes" means the amount of property
34 15 tax dollars equal to the certified general rate for the
34 16 current fiscal year for purposes of the general fund, or the
34 17 certified rural rate for the current fiscal year for purposes
34 18 of the rural services fund, times the increase from the
34 19 current fiscal year to the budget year in taxable valuation
34 20 due to the following:

34 21 (1) New construction.

34 22 (2) Additions or improvements to existing structures.

34 23 (3) Remodeling of existing structures for which a building
34 24 permit is required.

34 25 (4) Net boundary adjustment.

34 26 (5) A municipality no longer dividing tax revenues in an
34 27 urban renewal area as provided in section 403.19, to the
34 28 extent that the incremental valuation released is due to new

34 29 construction or revaluation on property newly constructed,
34 30 additions or improvements to existing property, net boundary
34 31 adjustment, or expiration of tax abatements, all occurring
34 32 after the division of revenue begins.

34 33 (6) That portion of taxable property located in an urban
34 34 revitalization area on which an exemption was allowed and such
34 35 exemption has expired.

35 1 3. a. For the fiscal year beginning July 1, 2008, and
35 2 subsequent fiscal years, the maximum amount of property tax
35 3 dollars which may be certified for levy by a county for
35 4 general county services and rural county services shall be the
35 5 maximum property tax dollars calculated under paragraphs "b"
35 6 and "c", respectively.

35 7 b. The maximum property tax dollars that may be levied for
35 8 general county services is an amount equal to the sum of the
35 9 following:

35 10 (1) The annual price index times the current fiscal year's
35 11 maximum property tax dollars for general county services.

35 12 (2) The amount of net new valuation taxes in the county.

35 13 c. The maximum property tax dollars that may be levied for
35 14 rural county services is an amount equal to the sum of the
35 15 following:

35 16 (1) The annual price index times the current fiscal year's
35 17 maximum property tax dollars for rural county services.

35 18 (2) The amount of net new valuation taxes in the
35 19 unincorporated area of the county.

35 20 4. a. For purposes of calculating maximum property tax
35 21 dollars for general county services for the fiscal year
35 22 beginning July 1, 2008, only, the term "current fiscal year's
35 23 maximum property tax dollars" shall mean the greater of the
35 24 following:

35 25 (1) The actual taxes certified for the general basic fund
35 26 for either the fiscal year beginning July 1, 2006, or the
35 27 fiscal year beginning July 1, 2007, as selected by the county.

35 28 (2) The taxes that could have been certified for the
35 29 general basic fund for either the fiscal year beginning July
35 30 1, 2006, or the fiscal year beginning July 1, 2007, if the
35 31 county had levied a rate of three dollars and fifty cents per
35 32 one thousand dollars of valuation, as selected by the county.

35 33 b. For purposes of calculating maximum property tax
35 34 dollars for rural county services for the fiscal year
35 35 beginning July 1, 2008, only, the term "current fiscal year's
36 1 maximum property tax dollars" shall mean the greater of the
36 2 following:

36 3 (1) The actual taxes certified for the rural basic fund
36 4 for either the fiscal year beginning July 1, 2006, or the
36 5 fiscal year beginning July 1, 2007, as selected by the county.

36 6 (2) The taxes that could have been certified for the rural
36 7 basic fund for either the fiscal year beginning July 1, 2006,
36 8 or the fiscal year beginning July 1, 2007, if the county had
36 9 levied a rate of three dollars and ninety-five cents per one
36 10 thousand dollars of valuation, as selected by the county.

36 11 c. Each county shall notify the department of management
36 12 by August 1, 2007, whether it will use the fiscal year
36 13 beginning July 1, 2006, or the fiscal year beginning July 1,
36 14 2007, for the calculation under this subsection. If a county
36 15 does not notify the department by August 1, 2007, the fiscal
36 16 year used for the calculation under this subsection shall be
36 17 the fiscal year beginning July 1, 2007.

36 18 5. Property taxes certified for deposit in the county
36 19 general and rural supplemental funds in section 331.424, the
36 20 mental health, mental retardation, and developmental
36 21 disabilities services fund in section 331.424A, the cemetery
36 22 fund in section 331.424B, the emergency services fund in
36 23 section 331.424C, the debt service fund in section 331.430,
36 24 any capital projects fund established by the county for
36 25 deposit of bond, loan, or note proceeds, and any increase
36 26 approved pursuant to section 331.426A, are not included in the
36 27 maximum amount of property tax dollars that may be certified
36 28 for a budget year under subsection 3.

36 29 6. The department of management, in consultation with the
36 30 county finance committee, shall adopt rules to administer this
36 31 section. The department shall prescribe forms to be used by
36 32 counties when making calculations required by this section.

36 33 Sec. 72. NEW SECTION. 331.426A AUTHORITY TO LEVY BEYOND
36 34 MAXIMUM PROPERTY TAX DOLLARS.

36 35 1. The board may certify levies in addition to the maximum
37 1 amount of property tax dollars that may be levied, as computed
37 2 under section 331.423, for the general basic fund and the
37 3 rural basic fund as provided in this section.

37 4 The board shall publish notice of a public hearing on the

37 5 additional levy proposal in the manner provided in section
37 6 331.305. The public hearing shall be held at least thirty
37 7 days prior to the budget certification date. The hearing
37 8 shall not be held in conjunction with the hearing on the
37 9 budget provided for in section 331.434.

37 10 The notice shall state the date, time, and place of the
37 11 public hearing on the proposal. The notice shall state the
37 12 maximum property tax dollars allowed for the budget year and
37 13 shall state the amount of the addition to the maximum. The
37 14 amount of the addition shall be stated as a dollar amount and
37 15 a percentage of the maximum property tax dollars allowed for
37 16 the first budget year to which it will be applied. The notice
37 17 shall also state whether the addition to the maximum amount of
37 18 property tax dollars is a permanent addition or whether it is
37 19 for a set number of fiscal years.

37 20 If within ten days of the date the public hearing was
37 21 conducted, a petition is filed with the county commissioner of
37 22 elections asking that the proposal be submitted to the
37 23 registered voters of the county, the board shall, by
37 24 resolution, either abandon the proposal or direct the county
37 25 commissioner of elections to call a special election on the
37 26 proposal to be held no later than April 30 of the budget year.
37 27 If the additional amount applies to the general basic fund,
37 28 the petition must contain the signatures of eligible electors
37 29 of the county equal in number to at least ten percent of the
37 30 votes cast in the county for the office of president of the
37 31 United States or governor at the preceding general election.
37 32 If the additional amount applies to the rural basic fund, the
37 33 petition must contain the signatures of eligible electors
37 34 residing in the unincorporated area of the county equal in
37 35 number to at least ten percent of the votes cast in the
38 1 unincorporated area of the county for the office of president
38 2 of the United States or governor at the preceding general
38 3 election.

38 4 2. The special election is subject to the following:

38 5 a. The board must give at least thirty days' notice to the
38 6 county commissioner of elections that the special election is
38 7 to be held.

38 8 b. The special election shall be conducted by the county
38 9 commissioner of elections in accordance with law.

38 10 c. If the proposal is to temporarily exceed the maximum
38 11 dollars amount, the proposition to be submitted shall be
38 12 substantially in the following form:

38 13 "Vote "yes" or "no" on the following question: Shall the
38 14 county of _____ levy for an additional \$_____ each year
38 15 for _____ years beginning July 1, _____, in excess of the
38 16 statutory limits otherwise applicable for the (general county
38 17 services or rural services) fund for the purposes of
38 18 _____?"

38 19 If the proposal is to permanently increase the maximum
38 20 property tax dollars, the proposition to be submitted shall be
38 21 substantially in the following form:

38 22 "Vote "yes" or "no" on the following question: Shall the
38 23 county of _____ permanently increase its maximum property
38 24 tax dollars by adding \$_____ to its maximum for the fiscal
38 25 year beginning July 1, _____, and retaining that amount,
38 26 adjusted by the inflation index allowed by statute, for all
38 27 subsequent fiscal years, in excess of the statutory limits
38 28 otherwise applicable for the (general county services or rural
38 29 services) fund for the purposes of _____?"

38 30 d. The canvass shall be held beginning at one p.m. on the
38 31 second day which is not a holiday following the special
38 32 election.

38 33 e. Notice of the special election shall be published at
38 34 least once in a newspaper as specified in section 331.305
38 35 prior to the date of the special election. The notice shall
39 1 appear as early as practicable after the board has directed
39 2 that the proposition be submitted to the voters.

39 3 f. Registered voters in the county may vote on the
39 4 proposition to increase property taxes for the general fund in
39 5 excess of the statutory limit. Registered voters residing
39 6 outside the corporate limits of a city within the county may
39 7 vote on the proposition to increase property taxes for the
39 8 rural services fund in excess of the statutory limit.

39 9 3. If a majority of those voting on the proposal approves
39 10 the proposal, the board may certify the additional dollars for
39 11 the budget years approved at the election.

39 12 If the proposal approved by the voters was for a permanent
39 13 addition, the amount of additional dollars approved for the
39 14 first budget year to which the addition applies shall be added
39 15 to the "current fiscal year's maximum property tax dollars"

39 16 for that budget year when computing maximum property tax
39 17 dollars under section 331.423. If the proposal approved by
39 18 the voters was for a temporary addition, the amount of
39 19 additional dollars approved shall be added after the
39 20 computation under section 331.423.

39 21 4. If a county's budget is protested pursuant to section
39 22 331.436, and for the same budget year, an election has been
39 23 petitioned for under this section, the hearing on the budget
39 24 protest shall not be held by the state appeal board until
39 25 after the results of the election have been certified by the
39 26 county commissioner of elections. If a majority of those
39 27 voting on the proposal votes in favor of the proposal, the
39 28 budget protest filed for that budget year shall be deemed
39 29 void. If the proposal is rejected by the voters, the state
39 30 appeal board may proceed with the hearing on the budget
39 31 protest.

39 32 Sec. 73. Section 384.1, Code 2005, is amended by striking
39 33 the section and inserting in lieu thereof the following:

39 34 384.1 PROPERTY TAX DOLLARS == MAXIMUMS.

39 35 1. A city shall certify taxes to be levied by the county
40 1 on all taxable property within the city limits, for all city
40 2 government purposes. Annually, the city council may certify
40 3 basic levies for deposit in the general fund, subject to the
40 4 limitation on property tax dollars provided in this section.

40 5 2. For purposes of this section and section 384.1A:

40 6 a. "Annual price index" means the sum of one plus the
40 7 change, computed to four decimal places, between the
40 8 preliminary price index for the third quarter of the calendar
40 9 year preceding the calendar year in which the budget year
40 10 begins and the revised price index for the third quarter of
40 11 the previous calendar year. The price index used shall be the
40 12 state and local government chain-type price index used in the
40 13 quantity and price indexes for gross domestic product as
40 14 published by the United States department of commerce.

40 15 b. "Boundary adjustment" means annexation, severance,
40 16 incorporation, or discontinuance as those terms are defined in
40 17 section 368.1.

40 18 c. "Budget year" is the fiscal year beginning during the
40 19 calendar year in which a budget is certified.

40 20 d. "Current fiscal year" is the fiscal year ending during
40 21 the calendar year in which a budget is certified.

40 22 e. "Net new valuation taxes" means the amount of property
40 23 tax dollars equal to the certified general rate for the
40 24 current fiscal year for purposes of the city general fund
40 25 times the increase from the current fiscal year to the budget
40 26 year in taxable valuation due to the following:

40 27 (1) New construction.

40 28 (2) Additions or improvements to existing structures.

40 29 (3) Remodeling of existing structures for which a building
40 30 permit is required.

40 31 (4) Net boundary adjustment.

40 32 (5) A municipality no longer dividing tax revenues in an
40 33 urban renewal area as provided in section 403.19, to the
40 34 extent that the incremental valuation released is due to new
40 35 construction or revaluation on property newly constructed,
41 1 additions or improvements to existing property, net boundary
41 2 adjustment, or expiration of tax abatements, all occurring
41 3 after the division of revenue begins.

41 4 (6) That portion of taxable property located in an urban
41 5 revitalization area on which an exemption was allowed and such
41 6 exemption has expired.

41 7 3. a. For the fiscal year beginning July 1, 2008, and
41 8 subsequent fiscal years, the maximum amount of property tax
41 9 dollars which may be certified by a city for the general fund
41 10 shall be the maximum property tax dollars calculated under
41 11 paragraph "b".

41 12 b. The maximum property tax dollars that may be levied for
41 13 deposit in the general fund is an amount equal to the sum of
41 14 the following:

41 15 (1) The annual price index times the current fiscal year's
41 16 maximum property tax dollars for the general fund.

41 17 (2) The amount of net new valuation taxes.

41 18 4. a. For purposes of calculating maximum property tax
41 19 dollars for the city general fund for the fiscal year
41 20 beginning July 1, 2008, only, the term "current fiscal year's
41 21 maximum property tax dollars" shall mean the greater of the
41 22 following:

41 23 (1) The actual taxes certified for the general fund for
41 24 either the fiscal year beginning July 1, 2006, or the fiscal
41 25 year beginning July 1, 2007, as selected by the city.

41 26 (2) The taxes that could have been certified for the

41 27 general fund for either the fiscal year beginning July 1,
41 28 2006, or the fiscal year beginning July 1, 2007, as selected
41 29 by the city, if the city had levied the sum of a rate of eight
41 30 dollars and ten cents per one thousand dollars of valuation
41 31 and the maximum rate allowed under section 384.8.
41 32 b. Each city shall notify the department of management by
41 33 August 1, 2007, whether it will use the fiscal year beginning
41 34 July 1, 2006, or the fiscal year beginning July 1, 2007, for
41 35 the calculation under this subsection. If a city does not
42 1 notify the department by August 1, 2007, the fiscal year used
42 2 for the calculation under this subsection shall be the fiscal
42 3 year beginning July 1, 2007.
42 4 5. Property taxes certified for deposit in the general
42 5 fund do not include property taxes certified for the debt
42 6 service fund in section 384.4; trust and agency funds in
42 7 section 384.6; the capital improvements reserve fund in
42 8 section 384.7; the emergency fund in section 384.8, except as
42 9 provided in subsection 4; any capital projects fund
42 10 established by the city for deposit of bond, loan, or note
42 11 proceeds; property taxes collected from a voted levy in
42 12 section 384.12; and property taxes levied under section
42 13 384.12, subsection 18; and any increase approved pursuant to
42 14 section 384.12A. Such taxes certified for these funds and for
42 15 these purposes shall not be included in the maximum amount of
42 16 property tax dollars that may be certified for a budget year
42 17 under subsection 3.
42 18 6. Notwithstanding the maximum amount of taxes a city may
42 19 certify for levy, the tax certified for levy by a city on
42 20 tracts of land and improvements on the tracts of land used and
42 21 assessed for agricultural or horticultural purposes shall not
42 22 exceed three dollars and three-eighths cents per thousand
42 23 dollars of assessed value in any year. Improvements located
42 24 on such tracts of land and not used for agricultural or
42 25 horticultural purposes and all residential dwellings are
42 26 subject to the same rate of tax certified for levy by the city
42 27 on all other taxable property within the city.
42 28 7. The department of management, in consultation with the
42 29 city finance committee, shall adopt rules to administer this
42 30 section. The department shall prescribe forms to be used by
42 31 cities when making calculations required by this section.
42 32 Sec. 74. NEW SECTION. 384.12A AUTHORITY TO LEVY BEYOND
42 33 MAXIMUM PROPERTY TAX DOLLARS.
42 34 1. The city council may certify levies in addition to the
42 35 maximum amount of property tax dollars that may be levied, as
43 1 computed under section 384.1, for the city general fund as
43 2 provided in this section.
43 3 The city council shall publish notice of a public hearing
43 4 on the additional levy proposal in the manner provided in
43 5 section 362.3. The public hearing shall be held at least
43 6 thirty days prior to the budget certification date. The
43 7 hearing shall not be held in conjunction with the hearing on
43 8 the budget provided for in section 384.16.
43 9 The notice shall state the date, time, and place of the
43 10 public hearing on the proposal. The notice shall state the
43 11 maximum property tax dollars allowed for the budget year and
43 12 shall state the amount of the addition to the maximum. The
43 13 amount of the addition shall be stated as a dollar amount and
43 14 a percentage of the maximum property tax dollars allowed for
43 15 the first budget year to which it will be applied. The notice
43 16 shall also state whether the addition to the maximum amount of
43 17 property tax dollars is a permanent addition or whether it is
43 18 for a set number of fiscal years.
43 19 If within ten days of the date the public hearing was
43 20 conducted, a petition is filed with the city clerk asking that
43 21 the proposal be submitted to the registered voters of the
43 22 city, the city council shall, by resolution, either abandon
43 23 the proposal or direct the county commissioner of elections to
43 24 call a special election on the proposal to be held no later
43 25 than April 30 of the budget year. The petition must contain
43 26 the signatures of eligible electors of the city equal in
43 27 number to at least ten percent of the votes cast in the city
43 28 for the office of president of the United States or governor
43 29 at the last preceding general election.
43 30 2. The special election is subject to the following:
43 31 a. The city council must give at least thirty days' notice
43 32 to the county commissioner of elections that the special
43 33 election is to be held.
43 34 b. The special election shall be conducted by the county
43 35 commissioner of elections in accordance with law.
44 1 c. If the proposal is to temporarily exceed the maximum
44 2 dollars amount, the proposition to be submitted shall be

44 3 substantially in the following form:
44 4 "Vote "yes" or "no" on the following:
44 5 Shall the city of _____ levy for an additional \$_____
44 6 each year for _____ years beginning next July 1, _____, in excess
44 7 of the statutory limits otherwise applicable for the city
44 8 general fund for the purposes of _____?"
44 9 If the proposal is to permanently increase the maximum
44 10 property tax dollars, the proposition to be submitted shall be
44 11 substantially in the following form:
44 12 "Vote "yes" or "no" on the following question: Shall the
44 13 city of _____ permanently increase its maximum property tax
44 14 dollars by adding \$_____ to its maximum for the fiscal year
44 15 beginning July 1, _____, and retaining that amount, adjusted
44 16 by the inflation index allowed by statute, for all subsequent
44 17 fiscal years, in excess of the statutory limits otherwise
44 18 applicable for the city general fund for the purposes of
44 19 _____?"
44 20 d. The canvass shall be held beginning at one p.m. on the
44 21 second day which is not a holiday following the special
44 22 election.
44 23 e. Notice of the special election shall be published at
44 24 least once in a newspaper as specified in section 362.3 prior
44 25 to the date of the special election. The notice shall appear
44 26 as early as practicable after the city council has directed
44 27 that the proposition be submitted to the voters.
44 28 3. If a majority of those voting on the proposal approves
44 29 the proposal, the city council may certify the additional
44 30 dollars for the budget years approved at the election.
44 31 If the proposal approved by the voters was for a permanent
44 32 addition, the amount of additional dollars approved for the
44 33 first budget year to which the addition applies shall be added
44 34 to the "current fiscal year's maximum property tax dollars"
44 35 for that budget year when computing maximum property tax
45 1 dollars under section 384.1. If the proposal approved by the
45 2 voters was for a temporary addition, the amount of additional
45 3 dollars approved shall be added after the computation under
45 4 section 384.1.
45 5 4. If a city's budget is protested pursuant to section
45 6 384.19, and for the same budget year, an election has been
45 7 petitioned for under this section, the hearing on the budget
45 8 protest shall not be held by the state appeal board until
45 9 after the results of the election have been certified by the
45 10 county commissioner of elections. If a majority of those
45 11 voting on the proposal votes in favor of the proposal, the
45 12 budget protest filed for that budget year shall be deemed
45 13 void. If the proposal is rejected by the voters, the state
45 14 appeal board may proceed with the hearing on the budget
45 15 protest.

45 16 CONFORMING AMENDMENTS

45 17 Sec. 75. Section 24.48, unnumbered paragraphs 4, 5, and 7,
45 18 Code 2005, are amended by striking the unnumbered paragraphs.

45 19 Sec. 76. Section 24.48, unnumbered paragraph 6, Code 2005,
45 20 is amended to read as follows:

45 21 For purposes of this section only, "political subdivision"
45 22 means a ~~city~~, school district, or any other special purpose
45 23 district which certifies its budget to the county auditor and
45 24 derives funds from a property tax levied against taxable
45 25 property situated within the political subdivision.

45 26 Sec. 77. Section 331.263, subsection 2, Code 2005, is
45 27 amended to read as follows:

45 28 2. The governing body of the community commonwealth shall
45 29 have the authority to levy county taxes and shall have the
45 30 authority to levy city taxes to the extent the city tax levy
45 31 authority is transferred by the charter to the community
45 32 commonwealth. A city participating in the community
45 33 commonwealth shall transfer a portion of the city's tax levy
45 34 authorized under section 384.1 or 384.12, whichever is
45 35 applicable, to the governing body of the community
46 1 commonwealth. The maximum ~~rates~~ amount of taxes authorized to
46 2 be levied under ~~sections~~ section 384.1 and the maximum rates
46 3 of taxes authorized to be levied under section 384.12 by a
46 4 city participating in the community commonwealth shall be
46 5 reduced by an amount equal to the rates of the same or similar
46 6 taxes levied in the city by the governing body of the
46 7 community commonwealth.

46 8 Sec. 78. Section 331.325, Code Supplement 2005, is amended
46 9 to read as follows:

46 10 331.325 CONTROL AND MAINTENANCE OF PIONEER CEMETERIES ==
46 11 CEMETERY COMMISSION.

46 12 1. As used in this section, "pioneer cemetery" means a
46 13 cemetery where there have been six or fewer burials in the

46 14 preceding fifty years.

46 15 2. Each county board of supervisors may adopt an ordinance
46 16 assuming jurisdiction and control of pioneer cemeteries in the
46 17 county. The board shall exercise the powers and duties of
46 18 township trustees relating to the maintenance and repair of
46 19 cemeteries in the county as provided in sections 359.28
46 20 through 359.40 except that the board shall not certify a tax
46 21 levy pursuant to section 359.30 or 359.33 and except that the
46 22 maintenance and repair of all cemeteries under the
46 23 jurisdiction of the county including pioneer cemeteries shall
46 24 be paid from the ~~county general cemetery~~ fund. The
46 25 maintenance and improvement program for a pioneer cemetery may
46 26 include restoration and management of native prairie grasses
46 27 and wildflowers.

46 28 3. In lieu of management of the cemeteries, the board of
46 29 supervisors may create, by ordinance, a cemetery commission to
46 30 assume jurisdiction and management of the pioneer cemeteries
46 31 in the county. The ordinance shall delineate the number of
46 32 commissioners, the appointing authority, the term of office,
46 33 officers, employees, organizational matters, rules of
46 34 procedure, compensation and expenses, and other matters deemed
46 35 pertinent by the board. The board may delegate any power and
47 1 duties relating to cemeteries which may otherwise be exercised
47 2 by township trustees pursuant to sections 359.28 through
47 3 359.40 to the cemetery commission except the commission shall
47 4 not certify a tax levy pursuant to section 359.30 or 359.33
47 5 and except that the expenses of the cemetery commission shall
47 6 be paid from the ~~county general cemetery~~ fund.

47 7 4. Notwithstanding sections 359.30 and 359.33, the costs
47 8 of management, repair, and maintenance of pioneer cemeteries
47 9 shall be paid from the ~~county general cemetery~~ fund.

47 10 Sec. 79. Section 331.422, unnumbered paragraph 1, Code
47 11 2005, is amended to read as follows:

47 12 Subject to this section and sections 331.423 through
47 13 ~~331.426~~ 331.426A or as otherwise provided by state law, the
47 14 board of each county shall certify property taxes annually at
47 15 its March session to be levied for county purposes as follows:

47 16 Sec. 80. Section 331.424A, subsection 4, Code Supplement
47 17 2005, is amended to read as follows:

47 18 4. For the fiscal year beginning July 1, 1996, and for
47 19 each subsequent fiscal year, the county shall certify a levy
47 20 for payment of services. For each fiscal year, county
47 21 revenues from taxes imposed by the county credited to the
47 22 services fund shall not exceed an amount equal to the amount
47 23 of base year expenditures for services as defined in section
47 24 331.438, less the amount of property tax relief to be received
47 25 pursuant to section 426B.2, in the fiscal year for which the
47 26 budget is certified. The county auditor and the board of
47 27 supervisors shall reduce the amount of the levy certified for
47 28 the services fund by the amount of property tax relief to be
47 29 received. A levy certified under this section is not subject
47 30 to ~~the any appeal provisions of section 331.426 or to any~~
47 31 ~~other provision~~ in law authorizing a county to exceed,
47 32 increase, or appeal a property tax levy limit.

47 33 Sec. 81. Section 331.424B, Code 2005, is amended to read
47 34 as follows:

47 35 331.424B CEMETERY LEVY.

48 1 The board may levy annually a tax on all taxable property
48 2 in the county not to exceed six and three-fourths cents per
48 3 thousand dollars of the assessed value of all taxable property
48 4 in the county to repair and maintain all cemeteries under the
48 5 jurisdiction of the board including pioneer cemeteries and to
48 6 pay other expenses of the board or the cemetery commission as
48 7 provided in section 331.325. The proceeds of the tax levy
48 8 shall be credited to the ~~county general cemetery~~ fund.

48 9 Sec. 82. Section 331.434, unnumbered paragraph 1, Code
48 10 2005, is amended to read as follows:

48 11 Annually, the board of each county, subject to sections
48 12 331.423 through ~~331.426~~ 331.426A and other applicable state
48 13 law, shall prepare and adopt a budget, certify taxes, and
48 14 provide appropriations as follows:

48 15 Sec. 83. Section 331.435, unnumbered paragraph 1, Code
48 16 2005, is amended to read as follows:

48 17 The board may amend the adopted county budget, subject to
48 18 sections 331.423 through ~~331.426~~ 331.426A and other applicable
48 19 state law, to permit increases in any class of proposed
48 20 expenditures contained in the certified budget summary
48 21 ~~published under section 331.434, subsection 3.~~

48 22 Sec. 84. Section 357B.8, subsection 2, paragraph c, Code
48 23 2005, is amended to read as follows:

48 24 c. The benefited fire district shall certify the tax levy

48 25 as provided in this subsection only after agreement granted by
48 26 resolution of the city council. The amount of the tax rate
48 27 levied under this subsection shall reduce by an equal amount
48 28 the maximum ~~tax levy~~ amount of taxes authorized for the
~~48 29 general fund of that city levy~~ under section 384.1. If the
48 30 district levies directly against property within a city to
48 31 provide fire protection for that city, the city shall not be
48 32 responsible for providing fire protection as provided in
48 33 section 364.16, and shall have no liability for the method,
48 34 manner, or means in which the district provides the fire
48 35 protection.

49 1 Sec. 85. Section 373.10, Code 2005, is amended to read as
49 2 follows:

49 3 373.10 TAXING AUTHORITY.

49 4 The metropolitan council shall have the authority to levy
49 5 city taxes to the extent the city tax levy authority is
49 6 transferred by the charter to the metropolitan council. A
49 7 member city shall transfer a portion of the city's tax levy
49 8 authorized under section 384.1 or 384.12, whichever is
49 9 applicable, to the metropolitan council. The maximum ~~rates~~
49 10 amount of taxes authorized to be levied under ~~sections~~ section
49 11 384.1 and the maximum rates of taxes authorized to be levied
49 12 under section 384.12 by a member city shall be reduced by an

49 13 amount equal to the rates of the same or similar taxes levied
49 14 in the city by the metropolitan council.

49 15 Sec. 86. Section 384.12, subsection 20, Code 2005, is
49 16 amended by striking the subsection.

49 17 Sec. 87. Section 386.8, Code 2005, is amended to read as
49 18 follows:

49 19 386.8 OPERATION TAX.

49 20 A city may establish a self-supported improvement district
49 21 operation fund, and may certify taxes not to exceed the rate
49 22 limitation as established in the ordinance creating the
49 23 district, or any amendment thereto, each year to be levied for
49 24 the fund against all of the property in the district, for the
49 25 purpose of paying the administrative expenses of the district,
49 26 which may include but are not limited to administrative
49 27 personnel salaries, a separate administrative office, planning
49 28 costs including consultation fees, engineering fees,
49 29 architectural fees, and legal fees and all other expenses
49 30 reasonably associated with the administration of the district
49 31 and the fulfilling of the purposes of the district. The taxes
49 32 levied for this fund may also be used for the purpose of
49 33 paying maintenance expenses of improvements or self=
49 34 liquidating improvements for a specified length of time with
49 35 one or more options to renew if such is clearly stated in the
50 1 petition which requests the council to authorize construction
50 2 of the improvement or self-liquidating improvement, whether or
50 3 not such petition is combined with the petition requesting
50 4 creation of a district. Parcels of property which are
50 5 assessed as residential property for property tax purposes are
50 6 exempt from the tax levied under this section except
50 7 residential properties within a duly designated historic
50 8 district. A tax levied under this section is not subject to
50 9 the maximum dollars levy limitation in section 384.1.

50 10 Sec. 88. Section 386.9, Code 2005, is amended to read as
50 11 follows:

50 12 386.9 CAPITAL IMPROVEMENT TAX.

50 13 A city may establish a capital improvement fund for a
50 14 district and may certify taxes, not to exceed the rate
50 15 established by the ordinance creating the district, or any
50 16 subsequent amendment thereto, each year to be levied for the
50 17 fund against all of the property in the district, for the
50 18 purpose of accumulating moneys for the financing or payment of
50 19 a part or all of the costs of any improvement or self=
50 20 liquidating improvement. However, parcels of property which
50 21 are assessed as residential property for property tax purposes
50 22 are exempt from the tax levied under this section except
50 23 residential properties within a duly designated historic
50 24 district. A tax levied under this section is not subject to
50 25 the maximum dollars ~~levy limitations~~ limitation in section
50 26 384.1 or the levy rate limitation in section 384.7.

50 27 Sec. 89. Sections 331.425 and 331.426, Code 2005, are
50 28 repealed.

50 29 Sec. 90. APPLICABILITY DATE. This division of this Act
50 30 takes effect July 1, 2007, and applies to the fiscal year
50 31 beginning July 1, 2008, and all subsequent fiscal years.

50 32 DIVISION V

50 33 IMPLEMENTATION TASK FORCE

50 34 Sec. 91.

50 35 1. On or before July 1, 2006, the department of revenue,

51 1 in conjunction with the department of management, shall
51 2 initiate and coordinate the establishment of an implementation
51 3 task force. Both the department of revenue and the department
51 4 of management shall provide staffing assistance to the task
51 5 force.

51 6 2. a. Voting members of the implementation task force
51 7 shall include four members of the general assembly, one each
51 8 appointed by the co-floor leaders of the senate, the speaker
51 9 of the house of representatives, and the minority leader of
51 10 the house of representatives.

51 11 b. Voting members of the implementation task force shall
51 12 also include the following appointed by the director of
51 13 revenue:

51 14 (1) A representative of the Iowa state association of
51 15 counties.

51 16 (2) A representative of the Iowa league of cities.

51 17 (3) A representative of the Iowa association of school
51 18 boards.

51 19 (4) Local assessors.

51 20 (5) County auditors.

51 21 (6) A representative of an organization representing local
51 22 economic development entities.

51 23 (7) A representative of commercial property taxpayers.

51 24 (8) A representative of industrial property taxpayers.

51 25 (9) A representative of residential property taxpayers.

51 26 (10) A representative of agricultural property taxpayers.

51 27 (11) Other appropriate stakeholders.

51 28 c. Ex officio members of the implementation task force
51 29 shall include the following:

51 30 (1) The director of revenue or the director's designee.

51 31 (2) The director of the department of management or the
51 32 director's designee.

51 33 (3) The director of the department of education or the
51 34 director's designee.

51 35 d. The director of revenue may consider ex officio
52 1 participation on the task force of former state officials with
52 2 expertise in budget and tax policy.

52 3 3. The task force shall study the effects of
52 4 implementation of this Act. The task force shall prepare a
52 5 fiscal analysis detailing the effects of implementation on
52 6 different classes of property and on different property
52 7 taxpayers. The fiscal analysis shall include a comparison of
52 8 property taxes levied by cities and counties under the current
52 9 system and property taxes that could be levied under the
52 10 provisions of this Act. The comparison shall include
52 11 projections beyond the current fiscal year.

52 12 The task force shall also prepare a fiscal analysis
52 13 detailing the effects of implementation of this Act on local
52 14 government and state government revenues.

52 15 4. The task force shall report to the general assembly by
52 16 January 15, 2007, and by January 15, 2008. The report shall
52 17 include information pertaining to the fiscal analysis prepared
52 18 pursuant to subsection 3. The report shall also include
52 19 recommendations pertaining to implementation of this Act.

52 20 5. There is appropriated from the general fund of the
52 21 state to the department of revenue two hundred fifty thousand
52 22 dollars for the purpose of fulfilling the requirements of
52 23 subsection 3.

52 24 Sec. 92. EFFECTIVE DATE. This division of this Act, being
52 25 deemed of immediate importance, takes effect upon enactment.

52 26 EXPLANATION

52 27 This bill makes various changes to the laws relating to
52 28 property taxation, income taxation, and city and county
52 29 budgets.

52 30 Division I of the bill relates to assessment and valuation
52 31 of property. The division requires the assessor to make an
52 32 on-site inspection of property at least once every 10 years in
52 33 an odd-numbered year.

52 34 The division combines the special appraiser's fund with the
52 35 assessment expense fund in the office of local assessor and
53 1 increases the rate limits for the assessment expense fund to
53 2 include the 40 and 1/2 cents per \$1,000 of assessed value that
53 3 may currently be levied for the special appraiser's fund.

53 4 The division allows for counties to jointly employ an
53 5 assessor.

53 6 The division provides that the formula used to determine
53 7 productivity and net earning capacity of agricultural land
53 8 shall be based on a 10-year average rather than the current
53 9 five-year average. The division provides for a transition to
53 10 the 10-year average.

53 11 The division eliminates the assessment limitations for all

53 12 classes of property and provides that for assessment years
53 13 beginning on or after January 1, 2007, industrial property
53 14 shall be assessed at 100 percent of its actual value and
53 15 agricultural property shall be assessed at 100 percent of its
53 16 productivity value. The bill provides that after a one-year
53 17 transition, commercial property shall be valued at 100 percent
53 18 of its actual value (2008 assessment year), and after a five=
53 19 year transition, residential property shall be assessed at 50
53 20 percent of its actual value (2011 assessment year). The
53 21 division also provides that residential property with an
53 22 actual value of less than \$20,000 shall be assessed at the
53 23 actual value minus \$10,000. The division provides that the
53 24 one acre on which an agricultural dwelling is located shall be
53 25 assessed as residential property.

53 26 The division makes various changes to the assessment
53 27 calendar. The division changes from April 15 to September 15
53 28 the date that completed assessments are to be mailed to
53 29 taxpayers. Protests of assessment and protests of
53 30 equalization orders are to be filed with the local board of
53 31 review from September 16 through October 5. The board of
53 32 review is to conduct its sessions of filed protests from
53 33 October 1 through October 31 in the even-numbered years and
53 34 from October 1 through November 10 in the odd-numbered years.
53 35 Under current law and under the bill, equalization orders are
54 1 issued by the department of revenue in the odd-numbered years.
54 2 The division allows an aggrieved taxpayer or owner who files a
54 3 protest of assessment to request an assessment review with the
54 4 local assessor prior to consideration of the protest by the
54 5 board of review. Assessment reviews are to be disposed of by
54 6 September 30.

54 7 The division requires the local assessor and local board of
54 8 review to keep confidential any documents, reports, audits,
54 9 and other information supplied by a taxpayer or property owner
54 10 relating to the amount or source of income, profits, losses,
54 11 or expenditures of the taxpayer or property owner.

54 12 Except as otherwise noted in the division, division I
54 13 applies to assessment years beginning on or after January 1,
54 14 2007.

54 15 Division II of the bill relates to property tax credits,
54 16 exemptions, and reimbursements and to an income tax credit.

54 17 The military service property tax credit and exemption is
54 18 changed to a refundable income tax credit equal to \$35.

54 19 The homestead property tax credit is repealed, and the
54 20 extraordinary property tax credit and rent reimbursement for
54 21 low-income elderly and disabled persons is retained.

54 22 The division repeals the agricultural land property tax
54 23 credit. The division makes the current standing appropriation
54 24 of \$39.1 million for the agricultural land property tax credit
54 25 a standing appropriation to fund the family farm tax credit.

54 26 The division states the intent of the general assembly to
54 27 offset the repeal of the homestead credit by appropriating
54 28 additional moneys as school foundation aid.

54 29 Except as otherwise noted in the division, division II
54 30 applies to assessment years beginning on or after January 1,
54 31 2007.

54 32 Division III of the bill makes changes relating to local
54 33 budgeting and taxation.

54 34 The division requires more detail relating to comparisons
54 35 of valuations and property tax amounts to be included in
55 1 county and city budgets. The division also requires that a
55 2 county and city budget include a comparison of the actual
55 3 taxes levied in the preceding year and the amount of taxes to
55 4 be levied in the proposed budget for one representative
55 5 property from each class of property.

55 6 The division changes the time period in which notice of a
55 7 public hearing on a county or city budget must be published.
55 8 Currently, the notice must be published not less than 10 nor
55 9 more than 20 days prior to the hearing. The division changes
55 10 the time period to not less than four nor more than 20 days
55 11 prior to the hearing.

55 12 Division III takes effect July 1, 2007, and applies to
55 13 fiscal years beginning on or after July 1, 2008.

55 14 Division IV of the bill relates to the limitation on
55 15 property taxes for counties and cities by removing the
55 16 property tax rate limitations, on the general and rural fund
55 17 for counties and on the general fund for cities, and
55 18 substituting a limitation on the maximum amount of property
55 19 tax dollars that may be certified by a county or city for
55 20 those funds.

55 21 The maximum amount of property tax dollars that may be
55 22 levied by a county for the general and rural basic funds or by

55 23 a city for the general fund is the maximum allowed in the
55 24 previous fiscal year increased by an annual price index and
55 25 net new valuation taxes. "Annual price index" and "net new
55 26 valuation taxes" are defined in the bill.
55 27 A city or county may, temporarily or permanently, increase
55 28 its maximum dollars limitation by holding a public hearing on
55 29 the proposal. The proposal is subject to petition and
55 30 election.
55 31 Division IV takes effect July 1, 2007, and applies to
55 32 fiscal years beginning on or after July 1, 2008.
55 33 Division V of the bill creates an implementation task force
55 34 to study the effects of implementation of the bill and
55 35 appropriates \$250,000 for this purpose. The task force is to
56 1 report to the general assembly by January 15, 2007, and by
56 2 January 15, 2008. The division takes effect upon enactment.
56 3 Additional conforming amendments may be necessary to fully
56 4 implement this bill.
56 5 LSB 5494XK 81
56 6 sc:rj/cf/24